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IN SECOND-TIER BATTLEGROUNDS

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 1B. BUENOS AIRES 0144
 1C. BUENOS AIRES 0429

Classified By: CDA Tom Kelly for reasons 1.4 (b) & (d).

11. (C) Summary: Argentina's ruling (Kirchner-allied) Victory Front (FpV) faces bleak prospects in the June 28 midterms in the second-tier electoral districts of Cordoba, Santa Fe, and Mendoza provinces (ref A). In Cordoba and Santa Fe, the second and third most populous provinces, the Kirchners are paying the price for their prolonged war on the agricultural sector. In Mendoza, the new alliance between the Kirchners' nemesis, Vice President Julio Cobos, and the Radical Party has created a formidable foe. Given the FpV may well suffer an electoral loss in these populous districts as well as the federal district (where the FpV has never had support), it amplifies the need for a big victory in Buenos Aires province -- but that, too, is in doubt (ref C). End Summary

12. (SBU) The ruling (Kirchner-allied) Victory Front's (FpV) electoral prospects in the June 28 legislative elections are slim in Cordoba, Santa Fe, and Mendoza, the country's most populous provinces after Buenos Aires province and the federal district (refs A and B). Cordoba and Santa Fe, representing 8.7% and 8.6% of the total national vote respectively, will be electing nine national deputies each. Mendoza, holding 4.2%, will be electing five deputies. (Note: Buenos Aires province represents 37.1% of the total national vote and the federal district 9.5%). In addition to electing half their deputies, Cordoba, Santa Fe, and Mendoza are among the eight provinces that will renew all three of their Senate seats.

Cordoba Peronists Split from the FpV

13. (SBU) The Kirchners' fair-weather relationship with Cordoba Governor Juan Schiaretti ruptured recently, fracturing the Peronists' alliance with the FpV in this key province with a large agricultural sector. On April 12, the Governor announced that the local Peronist Party would split from the FpV to present its own candidate slate under a new bloc, Cordoba Federal. Schiaretti's tense relations with the Kirchners began during the Government's 2008 conflict with the farm sector. Schiaretti, who owes his position to farm sector support, was highly critical of President Cristina Fernandez de Kirchner's (CFK) proposal in 2008 to increase agriculture export taxes. He has also publicly pressed the government for more revenue-sharing funds to pay salaries. More recently, Schiaretti publicly backed the senatorial candidacy of Eduardo Mondino, who has long been openly critical of the Kirchners and resigned his position as national Human Rights Ombudsman in order to run for the Senate.

14. (SBU) Governor Schiaretti's remarks, while announcing the

new bloc, erased any doubts over a possible pre-election reconciliation with the Kirchners. Schiaretti described the local Peronists' political relationship with the Kirchners as "broken." In backing Mondino's candidacy, he defiantly asserted that "Cordoba's Peronists will pick their candidates. No one from the outside is going to come and tell us what to do." Recently, the Kirchners appear to have enlisted Transportation Secretary Ricardo Jaime, a native of Cordoba, to serve as the FpV's spokesman on the Cordoba campaign. Jaime told leading daily "La Nacion" in mid-April that the FpV would seek to stop Mondino's candidacy during a party congress, anticipated for the end of the month. He added that if they did not succeed, the FpV would present its own list of candidates, probably headed by Cordoba mayor Eduardo Acastello. Local analysts are predicting that it will be difficult for a Kirchner-backed slate to defeat Schiaretti's, but there is yet another group of Peronists headed by former Cordoba mayor Luis Juez that may upset the balance. When Schiaretti and Juez ran against each other for governor in 2007, both candidates enjoyed the simultaneous public support of the Kirchners. When Juez was narrowly defeated by Schiaretti, he accused the Kirchners of double-crossing him and has been a vocal critic ever since. Juez this year sought to align with Cordoba's still-strong UCR but now says he is running on the Cordoba Civic Front ticket.

Likely Win for Santa Fe Peronist Dissidents

¶15. (SBU) The FpV's chances are not much better in Santa Fe province, where local Peronists have also split. Rebuffing overtures from Nestor Kirchner to head the FpV's slate,

presidential aspirant and former FpV member Senator Carlos Reutemann will lead his own slate of Peronist candidates against those led by Kirchner-allied national deputy Agustin Rossi. Senator Reutemann, a former Formula One car racer, is the most popular Peronist leader in Santa Fe. Polls show that the Senator might even beat Santa Fe's well-liked Socialist Governor, Hermes Binner, if the Governor were to compete. Rossi, on the other hand, is one of the most unpopular politicians in Santa Fe. In early February, Rossi was pelted with eggs by farm sector supporters after leaving a local town council meeting.

¶16. (SBU) As in Cordoba, Reutemann and other former FpV members have formed their own bloc, Santa Fe Federal, which is ideologically similar to Cordoba Federal. Reutemann officially broke from the FpV in February. Local analysts predict the race in Santa Fe is his to lose, given Reutemann's popularity, and they assess the Socialist candidates, even in alliance with the Radical Party (UCR), will place second.

Mendoza is Cobos Country

¶17. (SBU) Mendoza will also be a difficult battleground for the Kirchners. In 2007, Peronist Celso Jaque won the gubernatorial seat by a large margin with Kirchner support. Jaque, separately from his association with the increasingly unpopular Kirchners, is suffering his own decline in the polls due largely to rising crime and violence in the province. The Radical Party's (UCR) electoral prospects are good in this province, particularly in light of the recent agreement between the UCR and Vice President Julio Cobos's allies to run on a united slate. Cobos hails from Mendoza, where he was governor until 2007. The UCR expelled VP Cobos from the party in September 2007 when Cobos agreed to run as CFK's running mate. The UCR recently lifted this expulsion, and Cobos is expected to attend the UCR's national convention on April 17-18. In Mendoza, Cobos is more popular today than when he left the governorship. Jaque, on the other hand, received a 1.24 approval rating on a scale of one to ten in an April 6 provincial poll.

¶18. (C) Comment: As in the rest of Argentina, party slates in

these three provinces are not yet defined. Polling data is therefore hard to come by at this early stage. The conventional wisdom nonetheless is that the Kirchners' prospects are declining in these three key provinces, as well as in the federal capital (which we will report septel). This makes it all the more imperative for them to make a strong showing in the province of Buenos Aires. There, too, they are in trouble (ref C), but it remains their strongest hope for holding on to their tenuous congressional majority.

KELLY